a couple of weeks ago, held this board open, the voting board here in this House open for 90 minutes, 90 minutes on a 15-minute vote. We came up to these mikes and called: Mr. Speaker, point of order. What is going on here? Did we not have a vote? Oh, wait, I am sorry. You mean to tell me you are not winning and the special interests are not winning on allowing them to stick the drill anywhere they want to drill, and you mean to tell me you are not winning because this is not a true energy bill that is going to talk about conservation and independence and go against price gouging? You mean to tell me until you are able to twist enough arms, or I must add, hammer people, okay, to the point where they are going to change their vote based on their thoughts of coming in here and based on the information that they have on this bill that it does nothing, you are going to hold the voting clock open until you have your way.

It is almost saying that we are at a little league football game and I happen to be the guy that bought the jerseys for one team and my cousin happens to be the ref that has the stop clock, I am going to tell him to stop the clock because we are behind by 7 points and I have got to go over and try to twist some arms and try to change the rules so that we can come up by 8 points, and then I want him to start the clock all over again. That is breaking the spirit and that is violating the rules. They are doing things because they can.

But I can tell you one thing, Mr. RYAN. Just like you talked about that decorated veteran that has worked in the State Department and worked with Colin Powell, the American spirit will prevail over politics, and that is what we have to bank on as it relates to this.

So those individuals that have a problem with us coming to the floor and sharing exactly what is going on, this is fact, not fiction, then they have a problem with the spirit of America. They have a problem with the blood, sweat, and tears. They have a problem with folks that are sitting in Walter Reed right now that laid it down on behalf of this country that we would come here and represent them. They are white, they are black, they are Republican, they are Independent, they are Native American, they are Hispanic, they are Americans. And we are charged with the duty of coming to this floor and making sure that they are represented. Even if the majority does not want to represent them, even if we are in the minority, we do not have the option to say we were bigger, they were smaller. They had the majority, we had the minority. Oh, we could not do anything. We are doing everything. As I speak now, we have Democratic members fighting in committee to make sure that they can get amendments on to bills to be able to help Americans. As we speak right now we are preparing to come to the floor to fight the battle with what we have.

What my colleague from Ohio is saying is 110 percent right. That bill that you have there, we have over 40,000 citizen cosponsors on it right now.

Mr. RYAN of Ohio. 40,000? Wow. H.R. 3764, you can come to www.housedemocrats.gov/katrina. We are trying to get a grassroots movement together, and it sounds like we are well on our way. 40,000 citizen cosponsors for this bill to form an independent commission so we can go back and review and actually fix problems. Would that not be novel, for government to go back and actually have an independent commission, remove the politics, and fix the problem? That is what the Democrats want.

And all that you said there, I want to make one final point because we only have a couple minutes left. If you do not believe us and you do not believe our third party validators, Mr. Speaker, let us just use good common sense here. Every single cut that is being made to supposedly pay for Katrina is being cut in a program that does not have lobbyists. Can you believe that? Medicaid, after-school, free and reduced lunch, student loans, no lobby groups down here for those people. So we are going to pick on the little kids, we are going to pick on the people who cannot defend themselves. But meanwhile, the guys who are raising millions and millions of dollars for the Republican majority, we are not going to touch you. We could not possibly ask in this time of great national crisis, three wars, we have a natural disaster and high gas prices, we could not possibly go ask the wealthiest in this country to pay their fair share.

And I say this, and I do not say this lightly. This administration does not have the guts, the guts, to go and ask the wealthiest people in this country to help out. It is easy to cut programs for poor people. It is easy, because you know why? None of those people associate with the poor Americans. They are not sitting on the White House lawn drinking champagne and eating caviar.

But show the proper leadership and ask the hard questions and ask all Americans, including the ones making a billion dollars a year, to pay their fair share. Our Web site is www.housedemocrats.gov/katrina for our citizen cosponsorship, and you can e-mail us at 30somethingdems@mail.house.gov.

Mr. MEEK of Florida. I thank my colleague from Ohio for joining me. Mr. Speaker, I also would like to thank the Democratic leader for allowing us to have this first Democratic hour.

HEALTH CARE AND FISCAL ISSUES

The SPEAKER pro tempore (Mr. KUHL of New York). Under the Speaker's announced policy of January 4, 2005, the gentleman from Georgia (Mr. PRICE) is recognized for 60 minutes as the designee of the majority leader.

Mr. PRICE of Georgia. Mr. Speaker, I appreciate the leadership allowing me the opportunity to speak this hour and talk about a number of issues. We are going to discuss an important issue of health care. But before we do, I thought it would be appropriate to correct some of the misinformation that we have heard over the past hour. And the misinformation is truly remarkable, and so I have been joined by one of my colleagues here to address a couple issues and I will do the same as well, and then we will get into the discussion about health care. But I am pleased to be joined by my colleague from Tennessee (Mrs. BLACKBURN), who is going to tell the rest of the story.

Mrs. BLACKBURN. I thank the gentleman from Georgia who is doing such an extraordinarily wonderful job, Mr. Speaker, as he represents the positions that our party holds on so many issues that are important to the American people.

I am going to be heading to my district for the weekend, as most Members are, spending some time there, having the opportunity to talk with them. But as the gentleman from Georgia was saying, we wanted the opportunity to just address and maybe do a little bit of correcting on some of the points that our colleagues from across the aisle have been saying and stating. Sometimes I think that they are just sadly misinformed on some of these issues.

They said that Republicans are not looking to cut spending. I just find that extraordinary. They said that Democrats are the ones that are wanting to cut spending. Mr. Speaker, the level of hypocrisy in that statement is absolutely astounding. We have a Democratic Party in this House whose message, and I honestly believe many days is the only message that they have, that message is: Spend more. Whatever it is, spend more. Whatever they are wanting to do, if they do not think the outcome is right, go spend more. And for years they have held this thought that if you just put more money in the pot, then the outcome is going to be what they want. Spend more. Spend more.

And what holds them together? Mr. Speaker, I think that is something that is a curiosity to many people, because they are not united on foreign policy, they are not united on winning in Iraq, they are not united on border control issues, they are not united behind working families who tell us repeatedly that what they want is lower taxes, lighter regulation, preserving individual freedom, and having their shot at hope and opportunity.

Our colleagues across the aisle are not united on that. The one thing that they repeatedly seem to be united on is spending more of the taxpayers' money, spending more of your hard-earned money. And it is amazing to me, government never gets enough of the taxpayer money. Government has this huge, voracious appetite for the

taxpayers' money. They just cannot get enough of it. There is always another program. Many of them are great programs, but one of the truths that we all see here in this body: If government moves in to solve a problem, generally neither the private nor not-for-profit sector will move in and address that problem.

□ 1415

So you have additional costs that come about. Every time we talk about winning in Iraq, our friends across the aisle seem to say let us get out, regardless of the sacrifices that are made. Every time we talk about controlling the border, they are over there saying no way.

Mr. Speaker, yesterday, I was on a CNBC program; and a Democrat Member of the House said that their party had never been invited to offer spending cuts. There are 435 Members of this body, and Mr. Speaker, they are waiting for an invitation to come in and participate in how to reduce the size of government. This morning, I was on the floor and I said please consider this the invitation, come on. Everybody needs to work on this. It should be a bipartisan effort. It should involve every single Member of this House, how we go about reducing what the Federal Government spends.

I have three bills that would enact across-the-board cuts, 1 percent, 2 percent and 5 percent cuts; and for all of their talk today about how they want to cut spending, Mr. Speaker, not one single Democrat is on those bills, not one. We have got 14 Republicans who are on those bills, and not one Democrat has signed on to commit to finding 1, 2 or 5 percent of waste, fraud and abuse in government spending.

Mr. Speaker, I ask my colleagues, who is really leading on this issue? I hear plenty of accusations from the left. I hear plenty of complaining, and I see zero action. A lot of talk, no action. They controlled this body for 40 years; and in that 40 years, they built layer after layer after layer after layer of government. They cooked them a big old government cake, layer upon layer.

We have got programs out there that do nothing but waste our money. We have got 342 different economic development programs. There is a lot of work that we can do. Everyone is invited to come in and work on these issues; and anytime we even try to restrain spending, look at the rhetoric that we hear.

Mr. Speaker, it is our party in this House, it is our leader, the gentleman from Illinois (Speaker HASTERT), who truly is leading on this issue, not the minority leader. It is our leaders who are pushing this. It is our party who would like to reduce government spending by billions of dollars, billions more in next year's budget. It is our party that would like to see across-the-board spending reductions.

Their solution that they offer is repealing tax relief that is well deserved by hardworking American families, repealing that relief and raising taxes, period. That is the only thing that unites their party.

I hope that they will work with us on reducing the spending of the Federal Government. I thank the gentleman from Georgia for yielding.

Mr. PRICE of Georgia. Mr. Speaker, I thank the gentlewoman from Tennessee for her leadership and really stalwart stance on the issue of budgetary reform and fiscal responsibility. She is one of the champions here as it relates to that.

I just wanted to mention a few other items that we have had presented by the other side of the aisle over the last hour; and again, I think the misinformation that is being presented is truly astonishing. It does a disservice to the American people. It does a disservice to the debate because if folks are not interested in being honest and open about the debate, then you cannot have a real debate; and when you are dealing with folks really who want to distort things so incredibly, it is phenomenal.

My colleague from Tennessee mentioned that the Democrats were concerned because they had not been invited to participate. Let me tell you what their leadership said when we discussed the possibility of opening up the budget that we agreed to in the spring in order to find savings to cover the costs for the displaced citizens down in the gulf coast after the hurricanes. What the Democrat leadership said, well, you may do that but you will not get a single Democrat vote. Now, there is leadership for you. There is leadership for you.

We also heard from the other side recently, just earlier today, that they looked for third-party validators, some objective body that would say, yes, what you are saying is absolutely correct. As an example of the third-party validator, they brought an editorial from the Washington Post. Folks in my district, if you had a microphone in their living rooms right now, you would hear them guffawing. To consider that the Washington Post editorial is a third-party objective body is just phenomenal, but it is the backdrop for all of the discussion that they have, and that is, to distort and to give a lack of credibility to those things that are truly occurring here in Washington.

I want to point out this chart right here because this is a chart that talks about the percentage of Federal personal income tax paid by different sectors of our society. All the time you hear the other side talking about the wealthy are not paying their fair share and it is all on the backs of the poor and on and on and on. Sometimes the picture is worth a thousand words.

What this chart shows is that the top 1 percent, this column right here is the top 1 percent of our population in terms of income. The top 1 percent of our population in the United States today pays 34.27 percent of the total taxes, 34.27 percent by the top 1 percent. So you tell me whether you think that is the right amount or the wrong amount. I do not know. All I do know is they are certainly paying their fair share.

The column way over on the other side, way over on the other side is the lower 50 percent of income individuals in this Nation, and the amount that those individuals are contributing to the total revenue is 3.46 percent. You see the difference, the lower 50 percent, that is half, 50 percent, that is half, compared to the top 1 percent, 3.46 percent, 34.27 percent, 10 times as much by the top 1 percent as the lower 50 percent.

As I say, you may say that that is not the right amount, but you certainly cannot say with a straight face that the individuals who are in the top 1 percent are not paying their fair share. That is just nonsense, and really, makes it so that you have to be suspect about every other word that comes out of their mouths, especially when it is talking about budgets.

So I would hope that what they would do is to engage productively, to engage in the process and come with positive solutions and positive discussions and not just a just-say-no attitude, which is what their leadership has told them as it relates to budgetary issues.

Let me shift gears a little bit because I did want to thank, once again, the leadership for allowing me to participate in this hour and wanted to talk about one of the most important aspects and areas of every single citizen's life, and that is the area of health care.

Few things are more important to any individual's life than health care; and certainly, the decisions that an individual makes about health care are some of the most personal ones that one will make. I am joined today by one of the gentleman from Texas (Mr. CONAWAY), my good friends and colleague, who is going to discuss a little bit about individual responsibility as it relates to health care; and then we will talk about some other items as they relate to Medicare and other issues and health care.

Mr. Speaker, I yield to the gentleman from Texas (Mr. CONAWAY) and ask my colleague to talk a little bit about individual responsibility in health care.

Mr. CONAWAY. Mr. Speaker, I thank the gentleman from Georgia (Mr. PRICE) for yielding.

Let me make one comment about your chart. I am a CPA. I have spent 30-plus years assisting clients in dealing with our very complicated, very convoluted Federal income tax code, whether it is individually or corporations or other businesses. Any system that is based on a ''fair concept'' is flawed because what is fair to one person's view is not necessarily fair to somebody else's point of view. When you base a public policy this broad and expansive and quite frankly invasive

on ''fairness,'' then you set yourself up for a constant argument and constant battle about what is and is not fair.

Clearly, your chart shows a differential between the wealthiest folks in this country and the folks that are on their way up to, hopefully, becoming the wealthiest in this country. Certainly, they have got that opportunity with hard work and applying themselves to that.

So I would just like to point out that maybe we need a different system. Maybe sometime next year let us have this conversation about a different way to collect the minimum amount of money needed to fund this Federal Government, and we will have that conversation.

I would like to comment, though, on health care and individual responsibility.

I think it is universally recognized, and that is a hard thing to state with a straight face, but I think it is universally recognized that Americans enjoy the finest health care delivery system in the world. You yourself have been an integral part of that as an orthopedic surgeon, and your wife, I believe, is an anesthesiologist, members of the delivery system that this country enjoys.

We have got a flawed payment system, and I am not sure how we got to this point and place, but we are here. We have got a system that if you ran your car insurance program the same way we run health insurance, then each time you needed to change the oil in your car or new tires, you would file an insurance claim. That is not how we work our cars. We figure out a way to operate our automobiles out of our normal monthly budget. We budget for that and take care of those incidentals. We do have car insurance for the catastrophes, for wrecks, for destruction and theft, those kinds of things, those catastrophic deals.

Our health care system is flawed in that, quite frankly, I get the services, you provide me the services, and someone else pays for those services. In that scheme, I am not as concerned about the cost of those services as I ought to be because I am not writing a check to help out with that. So I have no incentives, so to speak, to ask you are there alternatives to what you have proposed, is there another way to do this or cheaper way. Can we do it at some other hospital that can be a little less expensive than the one you typically practice at, because I am writing those checks.

Getting personal responsibility back into the health care system, getting a system in which I have a viable interest in asking that question. We may ask that question on every other single thing that we do, how much is that going to cost. We may not ask it out loud, but we make a cost-benefit analysis each time in our head each time we make a purchase on something such as how do I want to pay for that. We do not do that in medicine, and it needs to be communicated to all of us that that is okay to do in medicine.

There are some things in medicine you do not ask: emergency or catastrophic kinds of things. You go get that thing. There is an awful lot of medicine that I think is subject to a circumstance where we can ask what that costs, and I think just doing that would begin to drive down those costs.

As the example, I went for an annual checkup a year or so ago and had an issue. The physician said, well, I can prescribe a course of antibiotics that is about $300 a month and 3 months from now that condition will clear up. I have got a prescription drug card so it was going to cost me $15 or whatever. I said $900? He said, yeah. I said, well, what happens if I do not do that? He said in about 3 months it will clear up.

I made a cost-benefit analysis and decided that I would forgo the antibiotic treatment and go with the professional judgment. It was my decision. I need to stand behind that decision, and if 3 months later my condition had gotten worse and I had other problems that may have been fixed if I had taken a different tack, I cannot go back on the doctor or should not and sue the doctor or the pharmacy or whatever, sue anybody that is still breathing because of a decision that I made.

Personal responsibility is not only taking responsibility for paying for health care but also reclaiming your health care decisions because those are yours. You are responsible for that, and you yourself know there will be the occasional bad outcome to any procedure, to any field, and that is just nature. Doctors are not perfect or hospitals. None of us are. Those legitimate just bad outcomes is just the system, and we ought to take personal responsibility for that.

I had several doctor clients, and to a person, if they did something wrong, if they created an issue or made something that aggravated something with a patient, they were going to fix it, period, no matter what it was.

□ 1430

But in many instances, they used their absolute best professional judgment to treat a patient and they just got a bad outcome. That is life. So this personal responsibility issue that I am talking about is decisions for what health care you do get or you do not get, and the costs.

I think the health savings accounts that we have instituted in certain instances will help us do that, so that putting away money in a health savings account; if you have a normal monthly kind of an expense come up, I have to decide do I take that money out of my health savings account that is growing, or do I figure out a way to do it out of this month's budget or my normal operating budget. So bringing that personal discipline back to the table in the arena of health care is not the absolute overall magic bullet, but it is a piece of the fix that is health care costs.

I appreciate this opportunity to share this hour with the gentleman, and I look forward to hearing the remainder of the gentleman's comments from a learned colleague in an arena that is obviously of vital importance to all of Americans.

Mr. PRICE of Georgia. Madam Speaker, I appreciate the gentleman's comments, because they are just so appropriate, and I think it is a shame, but they are visionary, that it ought to be the system that we currently have in terms of personal responsibility and an opportunity to select the kind of health care that we have. But, sadly, that is not the case. We will talk a little bit about that and how we got to where we are today in our health care system.

But let me mention, once again, why I think it is so incredibly important that we discuss health care. It is a significant portion of the Federal budget but, more importantly, it is without a doubt the area where the most personal decisions are made. And as we talk about health care, I think it is important that we always try to remember who is making those decisions, or who should be making those decisions may be a better question. Who should be making those personal decisions as they relate to health care?

My passion for this is, as the gentleman from Texas (Mr. CONAWAY) mentioned, I am a physician, I am a third generation physician. My grandfather and father were physicians as well. My grandfather graduated from medical school in 1908, so he saw a transformation in the field of medicine that was absolutely incredible. He practiced for over 30 years nearly without any antibiotics at all. When you think about that as being a different kind of world, it really was a different kind of world, a different kind of health care. He practiced medicine until he was 94 years old. So I remember well when I was a young boy, some of my first memories are of visiting my grandfather and going on what were rounds with him, and rounds at that time meant house calls. Some people remember those, but we would get in his car or walk through the neighborhood and visit patients. And one of the things that I remember so well is the love that was poured out when he would come to a house, because it was a very personal relationship, the relationship that the patients had with their physician, then my grandfather.

My father was a physician as well and came and practiced during the 1960s and the 1970s, and it was a different time then also. It was a time of great transformation for health care, in a direction that has kind of led us to where we are right now. He initially practiced internal medicine and then moved into becoming one of the first professional physician groups of emergency care. He worked in an emergency room in a hospital, and that was part of the transformation that medicine was going through, to try to answer some of the real challenges of caring for people with new technology and a

new society that was having challenges in the way that people were accessing health care. Many suffered from trauma, which had not been the case in the past, primarily related to the automobile and the kind of traffic that began sprouting up in so many urban areas across our Nation.

In the 1960s, we saw the changes that came about with the institution of Medicaid and Medicare. And when we talk about health care in the United States, it is impossible to talk about health care without talking about Medicare, because Medicare has truly transformed, for better or worse, the whole method of how we deliver health care in our Nation. The vast majority of private insurance products today as they relate to health care are tied in some way to Medicare. Most folks do not talk about that, many do not know that, but it is why the discussion about Medicare is so incredibly important.

There are a couple charts that I have here that I would like to share with the body that kind of bring some of that into perspective. This first one comes from the Center for Health Transformation, and that is an organization that has come about in the past couple of years. It is headed by some wonderful people. Speaker Gingrich is leading this charge. He recognizes that the aspects of health and health care and the costs of health care to our Nation must be transformed in the way that they are being delivered right now. And this information comes and demonstrates the national health care expenditures as a percent of gross domestic product.

So how much are we in this Nation spending on health care as it relates to the entire domestic product that we have? How much money do we have and how much are we spending on health care?

In 1965, that amount was about 6 percent. In 1965, that amount about was about 6 percent. It happens that 1965 was the year that Medicare began. And there are a variety of reasons for why we see the curve go up the way it does, but suffice it to say that we have significantly increased the amount of our domestic product that we are spending on health care, now to about 13 percent, and the projections are that in the relatively near future, we will be at 17 percent. Some of that is, I would suggest to the Members of the House and folks who are watching, some of that is as a result of governmental involvement, and we will talk about that some. Some of that is a result of technology, no doubt about it. But the trend is disturbing. The trend is disturbing, because we cannot go too much further, and we may be at that point now, where we are not able to provide for other priorities that the Nation has. So we have gone from about 6 to 13 percent as a percent of gross domestic product.

Now, it is also important to look at who is paying. I often talk about the golden rule. Most folks know the golden rule. There are a couple golden rules. The finest one is the golden rule that says do unto others as you would have them do unto you, but in Washington the golden rule is he who has the gold makes the rules. And this chart demonstrates clearly one of the challenges that we have as it relates to health care.

This chart shows the percentage of health care expenditures that are privately paid or paid for by the government. And one of the dirty little secrets that is not really a secret is that whenever the government pays for anything, whenever Washington pays for anything, there are all sorts of rules and regulations and requirements that are in place that go along with that. Sometimes they are good and sometimes they are not, but they have to be complied with. Otherwise, you do not get the money.

Now, in 1965, remember that other chart that we had, which showed the amount of money that we were spending on health care. This chart shows in 1965 that government paid for about 25 percent of all of health care expenditures in our Nation. And the private sector, individuals and the private insurance, paid for about 75 percent. So about 3-to-1 private sector to government.

Over a relatively short period of time, we are seeing a significant change in who is paying for what. Right now we are in a situation where the government is paying for about 45 percent, and it continues to tick up, of health care expenditures, and the private sector or the private market is paying for about 55 percent. That is important not just because this side is oftentimes on the backs of hard-working Americans, but it is important because remember that golden rule, he who has the gold makes the rules.

Washington, when they are paying for health care, make rules that may and oftentimes may not be to the benefit of the system. When I say ''the system,'' I do not mean the folks providing the care; I mean the folks receiving the care. This system is set up not to serve patients, and that is the problem. This type of graph demonstrates that those individuals who are most, remember, the most personal decisions that we make are health care decisions, and this system is set up to not be one that is the most helpful to patients.

My colleagues may say, well, can you give an example of that? Well, there are all sorts of examples of that, but what I would like to talk about briefly is an example that clearly points out why Washington is not the place to make these decisions. We are about to begin a new part of the Medicare program on January 1 of 2006, it is part D Medicare program which will start January 1, and that program is a program that for the first time since 1965 when the program was instituted, for the first time will cover prescription drugs, will cover medicines.

Now, one thinks of a health care system that has incredible ramifications for the entire health care system of our Nation, and it has been in place for 40 years, and it has not covered a single medicine, not one antibiotic, not one drug for diabetes, not one drug for hypertension or high blood pressure, not one drug for cancer; it has not covered any of them. That is the way that Washington works; that is, slowly and with a lack of perspective on who is being affected by the decisions.

Remember, patients are the ones that are affected by the decisions that we make here in Washington as it relates to health care all across the spectrum. And we have a system in place that is not changing; that is, the structure of the bureaucracy in the government, that is not nimble, it is not nimble like the private sector. So we have a Medicare program that for 40 years has not covered a single drug.

Now, thank goodness we are moving in that direction. There are some challenges I think we have in that program. But we have a system of government in Washington that cannot respond to the remarkable changes that we have had in the area of progress in science and technology. The private sector is so much more adaptable, so much more flexible, so much more nimble. So when patients need improvements, they ought to be able to look to the private sector for those improvements, because they come about so much more rapidly. But the sad story is, they have to look to Washington.

So I think what we need is a transformation of our health care system so that patients can make those kinds of decisions.

The health care model that we have right now really harms people, because it is not responsive to the needs of patients. It is responsive to a bottom line. It is responsive to a bottom line. In fact, the individuals way back in 1965 who wrote Medicare, the Medicare law, in this body knew that. They knew that Washington could not be responsive. They knew that it ought not be in charge of health care. And how do I know that? I know that because what they wrote in the law at that time, and this is a quote from the changes to the Social Security Act which put in place the Medicare program: ''Nothing in this title shall be construed to authorize any Federal officer or employee to exercise any, any supervision or control over the practice of medicine or the manner in which medical services are provided.''

Did you hear that? Nothing shall be construed to authorize anybody in the Federal Government to exercise any supervision or control over the practice of medicine or the manner in which medical services are provided.

Well, I say to my colleagues, I will tell you, and you know this, that all sorts of things that Medicare does and all sorts of things that we do specifically, specifically, either supervise or control the practice of medicine or the manner in which medical services are

provided. We violate this law all the time, all the time. And why do we do it? We do it because we are not patient-sensitive or quality-sensitive as it relates to health care. Washington, by its very nature and by its very being is bottom line sensitive, it is bottom line sensitive.

So we have a model that is in place that cannot, I would suggest cannot provide the kind of services that are needed for the patients.

Think of the contrast. If you think about the ways that our society has changed over just the past 20 or 30 years, the way that we do so many everyday things, and if you compare that to how health care is provided now and how it has changed or not changed, then you have a very clear idea I think about the challenges that we have in the area of health care.

Some common, everyday things: buying gasoline at the gas station. Now, regardless of what it costs, the way that we used to purchase gasoline is that you would pull up at the pump and you would roll down your window and somebody would come out, and they would say, would you like us to fill it up? And then they would go ahead and put the amount of gasoline that you wanted in your car, and you would pull out a dollar or two or more and you would pay for that gasoline. Now, how do we put gas in our car? We pull up to a pump, we never see anybody, we take our credit card out of our pocket or purses and we put it in the pump, we select the gasoline, we pump the gasoline, and many of us, I am told almost half of us, do not even ask for a receipt any more because we trust the system.

□ 1445

Because we trust the system. It is easy. It is more efficient. It is a system that has changed drastically over the past 20 or 30 years. And if you compare that to health care, that is stuck in a paper society that is no longer existent in so many aspects of our society.

The same is true of travel right now. If you want to purchase an airline ticket, an increasing number, in terms of percentage of folks, are now going online. They can go to their home computer 24 hours a day, 7 days a week. They pull up the site of the airline that they want to utilize, or they can go to something like Travelocity and it will pick the different airlines for you.

You plunk in the starting city where you are going to leave from; you plunk in the designation city. It will send back to you, in a matter of seconds, seconds, what kind of flights there are, how much it costs, whether there is a seat, and then you can purchase your ticket right there.

And you can, within 24 hours of your travel date, you can sit at your home computer or at your office and print out your boarding pass. The efficiency of that, if you think about it, is mind-boggling. It is incredible.

You as an individual are interacting with the entity that can provide a service that allows you to do what it is you want to do in terms of travel.

Now, why is it that in health care we do not have any of those things? We do not have any of those things. Think about what happens when you go to your doctor. What happens is that you walk in the door, and what are you met with?

You are met with a pile of paper. You are met with a pile of paper. And you read through that paper, or most folks go right to the back end of that paper, and you sign. And you wait and you get into the clinic room or the exam room, and your doctor comes in, and he or she has what in their hand? A chart. A paper chart.

That may have the last notes from your office visit. It may not. It is a system that is antiquated. It is a system that is inefficient. It is a system that is unresponsive to the needs of patients in a way that the rest of our society has transformed completely.

So health care is stuck in the past. It is stuck in the past century. It will take a significant length of time to just catch up to where we are, not get into the 21st century, but to catch up to where we are.

Now, how do we progress from here? What do we need to do to move forward and transform health care? I want to talk about some principles, and I want to talk about a resolution that I have introduced, H. Res 215. It is kind of a 30,000-foot view of health care.

What it says is that we ought to move as a matter of national policy from a system as it relates to health care of defined benefits to a system of defined contribution. Now, what does that mean?

Right now most individuals get their insurance through their employer, or their previous employer, or through the government, though Medicare or through Medicaid. And all of those systems, by and large, have what is called a defined benefit plan.

That means that somebody, in the case of Medicare and Medicaid, some government employee, bureaucrat, has gone through and decided what ought to be included in that insurance plan, in that package, and what you can be treated for and where you are treated and by whom you are treated and how are you treated, often times.

What diseases are covered, what diseases are not covered. Somebody else has decided all of those. That is a defined benefit. There is a defined package of benefits that are provided to the patient. This is true for individuals receiving their health care through Medicare and Medicaid. It is also true for most employer-provided health insurance.

Someone else, the human resources officer or someone in the company is deciding what ought to be covered in terms of health care. And what that does is remove the patient from that decision-making process. It also sets up a system whereby the patient, if the patient is frustrated, oftentimes that is the case.

I heard a statistic the other day that I found fascinating. Four percent of the public is accessing the health care system at any point in time. Four percent of the population is accessing the health care system, having some interaction with the health care system.

Half of those folks are frustrated in some way. So you say, well, why has the system not changed? Well, if only 2 percent of the population is mad at any point in time, it is a small amount. It is a small amount.

But what that defined benefit system has in place is a system where patients cannot be the ones who are affecting insurance plans easily. Because, you know, my colleagues know and patients around the Nation know that when they dial up the insurance company and say, hey, this plan is not working for me, I cannot get this disease treated, or I cannot go to the doctor that I want to go to, or I cannot get the medicine that I want, the insurance company says, well, you will have to talk to your boss. Right? Talk to your human resources officer. Or if you are a Medicare patient, you cannot even get through on the phone most of the time. But what happens is that the patient is removed from that decision-making process.

Now, that is not right. These are the most personal decisions that people make in their lives, the most personal decisions; and they are removed from that process. So moving from a defined benefit system to a defined contribution system says that whoever is paying the cost for the health insurance, whether it is the Federal Government through the Medicare program or the State government through Medicaid, or the employer through employer-provided health insurance, or the individuals, regardless of who is paying for the insurance policy, the patient owns the policy.

The patient owns the policy. And that is a sea change, because what that means then is that patients can vote with their feet. If they do not like what one insurance company is doing because they own the policy, they can change to another insurance company. And if they do not like what that company is doing, they can change to another. It also makes it easy so that when the patient gets on the phone with the insurance company, the insurance company has to be responsive to the patient. Why? Because the patient has power. The patient has control and ownership of the insurance policy. It changes the whole dynamic for health care.

It will not change anything overnight; but over a period of time, what it will do, if we are bold enough to transform health care in this way, it will allow patients to have the power over the kind of insurance policy that they have.

Now, this Center for Health Transformation is really doing some incredible, incredible work. And what they have done, I think in a very succinct

and appropriate way, is to identify kind of the principles of our current system of health care, and compare them to what a 21st-century health care system would be.

And I would like to just touch on a few of these. The current system is provider-centered, or I would say more correctly, it is insurance- or government-centered. Remember that the patient is outside of the control process, outside of the power process for this. The system is price-driven.

What that means is that it is more interested in the bottom line than it is interested in quality, or, said another way, it is more interested in money than it is in patients. And that ought not be a system that we tolerate. That ought not be a system that we tolerate.

Medicare is a classic example. Remember, I mentioned that Medicare is important to talk about as it relates to health care, because so much of our entire health care system, even in the private sector, is driven by the decisions that are made in Medicare. Medicare has a system that they compensate or pay physicians and other providers with. It is called an RBRVS, or a Resource Based Relative Value Scale, RBRVS. And what that means is that Washington, the Federal Government, decides how much money it is going to spend on health care for seniors.

It decides what that pot of money is going to be. And it may or may not bear any resemblance to the amount of health care that needs to be provided, so that when patients go to their doctor, they may or may not be able to get at what they need because the decision-making is all based on cost; it is not based on need. It is not based on quality of care. It is based on how much money we have.

That is a model that is fraught with problems and, frankly, fraught with extreme difficulties for patients. So a price-driven system just does not work. It ought to be something completely different. That has been defined by the Center For Health Transformation as values-driven. We will talk about that in just a minute.

The current system is knowledge-disconnected. There is not a good way to get knowledge between those folks providing the care, slow diffusion of innovation. It takes years, literally, for a new drug that is out to come on the market, to get to the market. It takes an average of 5 to 7 years, 5 to 7 years from the time when a new procedure or a new type of treatment for a specific disease is described in the literature, in the medical literature, to get to be used in the clinic or exam room or in the operating room. Five to 7 years.

That means that the kind of health care that we are receiving right now the individual who described the new innovation did so 5 to 7 years ago. That is not a system that is responsive to patients. It is a system again that is not patient-oriented. The current system is dysfocused, instead of being focused on prevention and on health.

The current system as we talked about is paper-based instead of utilizing the technology that is available today. The current system is a third-party controlled market, and that is a fancy way to say that the patient is out of the loop.

Remember, the Federal Government or the State government or the employer, by and large, is making decisions about what kind of health care is being provided, not the patient. The process is focused on government. As I mentioned, it is the government that is making these decisions has limited choices.

You know this, Members of the House and all of our citizens know this, that often times if you get sick, what is the first thing you do if you have not been to a doctor in a while? Well, you do not do what you ought to do, what you ought to be able to do, and that is find the highest quality physician you can.

You open up your book and see who you can see. Someone else is making that decision about who you can see. That is not a system that provides the greatest amount of choices appropriately for patients.

The current system is a predatory trial lawyer litigation system. The lawsuit system, the lottery system of the courts that we have as it relates to health care right now is driving up the cost of medicine. It is making it so that folks are receiving all sorts of tests and the like that they frankly do not need.

And the problem with this is not the malpractice insurance costs that doctors are having to pay, although that is a minor portion. The bigger problem is what is called defensive medicine. That means that your doctor, when you go see your doctor, he or she often times is ordering a test or doing a procedure or something in order to make it so that they are less likely to be sued and cover themselves, not necessarily because you need them. And you say, well, that is crazy.

But it happens all of the time. I am an orthopedic surgeon. When someone comes into my office with back pain, almost regardless of their complaint, if I have not seen them before, every one of them gets an x-ray. Now, they get an x-ray because if I did not do an x-ray and they went out of the office, and they went to another physician and that individual took an x-ray and on that x-ray was found to be something astronomically wrong, then I could have been sued for not picking that up at that very first office visit.

You say that is probably the right thing to do. Well, 90 percent, 90 percent of individuals with back pain, standard back pain, will get well within a period of 3 weeks. They did not need an x-ray. But everybody gets one. Everybody gets one. So you make it so that that 3 weeks is not lost for the minimal percentage of individuals who have a significant problem.

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The legal system is just phenomenal as it relates to health care, and it drives this practice of defensive medicine to an incredible degree.

Overall cost increases. We have not seen the kind of savings in health care we ought to see. You remember the graph that showed the increase in percent of GDP that we are spending on health care? It was 6 percent in 1965. Now it is 13 percent, soon to go to 17 percent. We have not seen any of the savings in health care that we have seen throughout all other sectors of our society.

What is a 21st-century system? It is centered on the patient. It is values-driven, knowledge-intense. It allows for a free flow of information between physicians and other providers. It is prevention- and health-focused. Electronically based. It gets away from that paper system that frankly results in more errors and more problems because it is a paper system.

The Center for Health Transformation calls it a binary mediated market. What does that mean? It means that the patient is in charge, the patient and the provider are the ones making decisions.

Outcomes focused on government. Increased choice. That is exactly what needs to happen. The patient needs to be in charge. And a new system of health justice. All of these things would result in a significant decrease in the cost of the health care and making it so that the quality of care and quality of life is increased all across the Nation for all, frankly, because of a transformation in our health care system.

So what we need is a new vision for health care, one that has more choices, more control by patients resulting in higher quality and lower costs. And I look forward to working with so many of my colleagues in the House on both sides of the aisle who are interested in positive solutions, productive solutions, making it so that those personal decisions as they relate to health care are able to be made by patients and individuals.

Mr. Speaker, I am honored to be joined now by one of my colleagues, the gentleman from Nebraska (Mr. FORTENBERRY). We thank the gentleman so much for coming, and I look forward to the gentleman's comments as they relate to health care.

Mr. FORTENBERRY. Mr. Speaker, I thank the gentleman for the opportunity to be here and participate in this important discussion of health care in our country. I thank the gentleman so much for his leadership today in coordinating this important discussion.

Mr. Speaker, I believe we have an important opportunity today to both save lives and save money. Health care is a pervasive part of American society. As we have heard, a major portion of our Federal budget is devoted to health

care costs, and total health care expenditures are a significant portion of our gross domestic product.

The good news is people are living longer with better technology and better drugs. That is excellent news. America has one of the best health care systems in the world. Yet everyone knows, because everyone is affected, that rising health care costs are a growing challenge to families, to businesses, and to the government. We need to look at this system, and I believe that simple new approaches can make a huge difference, as the gentleman has pointed out.

It is estimated that improvements in health information technology, quality patient management and wellness programs themselves promise to save up to 20 to 40 percent of costs. Personal ownership of health care decisions may minimize the wasteful overutilization of services. Incentives to medical providers, as well, to better target expensive and excessive testing are all areas that we need to aggressively explore in order to appropriately use our public and private health dollars.

Mr. Speaker, today I wish to focus on one aspect of how the rising cost of health insurance prevents entrepreneurial individuals from pursuing good opportunities. I think we must take the opportunity to think creatively, to update outdated approaches, and put consumers and families in charge. I have a keen interest in reducing barriers for small entrepreneurs. The vast majority of new jobs in our country are created by small business. This is where most people are working hard to get a little ahead in life and secure their own long-term economic well-being.

I have seen how the lack of available health insurance and rising health care costs decreases productivity and distorts social and economic decisions. For instance, in my district it is not unusual for a spouse in a farm family to drive very long distances to have a job simply for health care coverage. The rising cost of providing health care coverage for employees is a growing obstacle for small business owners or those who may wish to join their ranks.

It is not surprising that only 63 percent of smaller companies can afford to offer health care insurance. This is a primary reason why three out of five uninsured persons in our Nation are small business owners, their employees or their families.

Recently, the Committee on Small Business held a field hearing in my district. It was an extraordinary turnout. One of the reasons was because it was on the issue of small business and health care costs. During this forum, we examined the increasing cost of health insurance and possible solutions. The hearing emphasized one important aspect, the underutilized tool for small businesses known as health savings accounts, which were established as a part of Medicare prescription drug law.

These tax preferred accounts, coupled with high-deductible health insurance, help alleviate the ever-increasing cost of traditional health insurance premiums and empower families to take better control over their own health care dollars.

While the number of individuals using these accounts is increasing, I believe we need to do more to give small business owners and entrepreneurs the ability to take advantage of this very important policy innovation. In fact, of the new policies, 37 percent were taken out by individuals who were previously uninsured, and 27 percent were taken out by employers who previously did not offer health care insurance to their employees.

Now, one concern regarding health savings accounts is the initial funding. I have introduced legislation that will allow individuals to roll over portions of their retirement accounts into health savings accounts. This rollover would not subject the retirement account to the usual 10 percent penalty for early distribution. Moreover, all individuals with retirement accounts would be eligible to take advantage of this opportunity.

I believe this will help meet important public policy objectives of increasing access to health care coverage and overcoming a major barrier that small businesses face.

HSAs, as they are known, are just one of the many simple new approaches that can make a huge difference in our health care system by providing positive incentives for those who use the system.

Again, I would like to thank the gentleman from Georgia (Mr. PRICE) for undertaking this important discussion about health care and health care costs in our country; and I look forward to continuing our dialogue about innovative approaches to both save lives and save money.

Mr. PRICE of Georgia. I thank my good friend from Nebraska for joining us today. I want to thank him for pointing out health savings accounts and also the incredible importance of this discussion to small business.

When I go back to the district and I visit businesses all across the district, one of the things that they say, Whatever you do up there in Washington, please, please, make it so that we can afford to provide health insurance for our employees.

So many of the things that we are doing right now as it relates to the model in which we are delivering health care make it more difficult for them to be able to provide that. So I thank the gentleman for his perspective and for joining us today.

Mr. Speaker, I want to take a very, very short period of time and just close by saying that the model that we currently deliver health care under in this Nation is one that is not patient friendly; it is not efficient; and it does not spend anybody's money, be it tax money or personal money, wisely.

We need a new model, a new model for health care. A transformation of our health care system is what is needed: more choices, more control by patients, higher quality and lower costs. What that does is make it so that we would have better care, more patients in power, and more responsibility and opportunity for patients to receive the kind of care that they so richly deserve.

Again, I would like to say that I look forward to working with Members on both sides of the aisle who want to work positively and productively to bring about a system of health care in our Nation that allows patients, that allows patients to be the ones making decisions that give the highest quality of health care that they need and that they deserve.

WORKING-CLASS FAMILIES BETRAYED

The SPEAKER pro tempore (Mr. GOHMERT). Under the Speaker's announced policy of January 4, 2005, the gentleman from New York (Mr. OWENS) is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, I would like to talk about the betrayal of working-class families and the people on the bottom who need the safety net most. In this year of disaster, in this time of disaster, the people who need the help the most and who are the weakest in our society have been betrayed by the leadership.

Involved in this matter is the recent set of decisions made by the President to suspend Davis-Bacon in Louisiana where on the gulf coast we have a tremendous amount of construction work going on, opportunities for jobs to be created for those people who have been thrown out of work and have no income, no homes, no reasonable future. It is an opportunity for them to be employed. And yet interference by the White House has cut the wages there by suspending Davis-Bacon. And I will explain more about Davis-Bacon in a few minutes.

They have also suspended any Federal regulations on affirmative action. And that, of course, will hit hard because evacuees, the people who had to leave New Orleans and who are expecting to come back, 60 percent of them were African Americans; and their opportunities to get those jobs that are going to be created in the process of rebuilding the reconstruction are lessened by the fact that the contractors are not required to follow Federal regulations and affirmative action.

Those are just two of the things I would like to discuss. There is a broader range of issues related to leadership, competency in leadership, preparedness in terms of the huge amount of money we have invested in our armed services and our military apparatus and why we cannot have the dual preparation of the same body of people who are prepared to fight wars also be trained to take care of natural disasters of any kind.